

140000444

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

VIRGINIA GAS
AND OIL BOARD

RELIEF SOUGHT: CREATION OF THE DRILLING UNIT
DEPICTED IN EXHIBIT A HERETO
TO BE SERVED N77 Horizontal
(herein "Subject Drilling Unit")
PURSUANT TO VA. CODE
§ 45.1-361.20; AND APPROVAL OF WELL
DENSITY AND WELL LOCATION IN
SUBJECT DRILLING UNIT

DOCKET NO.
VGOB 10-0921-2814

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY
N77 HORIZONTAL
TO BE DRILLED IN THE LOCATION
DEPICTED ON EXHIBIT A HERETO,
HARMAN QUADRANGLE
ROCK LICK MAGISTERIAL DISTRICTS
BUCHANAN COUNTY, VIRGINIA

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter was continued at the September 21, 2010 hearing and came for final hearing before the Virginia Gas and Oil board (hereafter "Board") at 9:00 a.m. on October 19, 2010 at the at the Russell County Conference, Lebanon, Virginia.

2. Appearances: Mark Swartz, Esquire, of the firm Swartz Law Offices, PLLC, appeared for the Applicant; and Sharon M. B. Pigeon, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner entitled by the VA. Code and Board Rules to Notice hereof; and (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of the Application filed herein; Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

4. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by N77 Horizontal; (2) that the proposed location of N77 Horizontal be approved.

5. Relief Granted: The relief requested above shall be and hereby is granted.

5.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) allows multiple wells within the drilling unit established hereby as depicted on Exhibit A; and (3) approves the location of N77 Horizontal as depicted on Exhibit A.

6. Special Findings: The Board specifically and specially finds:

6.1 The proposed drilling unit is not an unreasonable or arbitrary exercise of a gas or oil owner's right to explore for or produce gas or oil.

6.2 Proposed drilling unit will not unreasonably interfere with the present or future mining of coal or other minerals.

6.3 The acreage to be included in the order is **175.96**.

6.4 The acreage mentioned above is to be embraced within the said drilling unit and which shall have the shape depicted in Exhibit A and further described in the Application.

6.5 The proposed **N77 Horizontal** may be drilled in the subject drilling unit at the locations indicated.

6.6 The said well shall not be subject to an allowable production.

6.7 The Board finds the subject drilling unit conforms to the mine development plan and corresponds with mine operations, including, without limitation, the drilling of multiple coalbed methane gas wells in the subject drilling unit.

7. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Applicant to each Respondent named in the Notice of hearing and whose address is known.

8. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

9. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

10. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 14 day of July, 20~~14~~¹³, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 14th day of July, 20~~14~~¹³, by Order of the Board.

Rick Cooper
Rick Cooper
(Acting) Principal Executive to the Staff, Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL

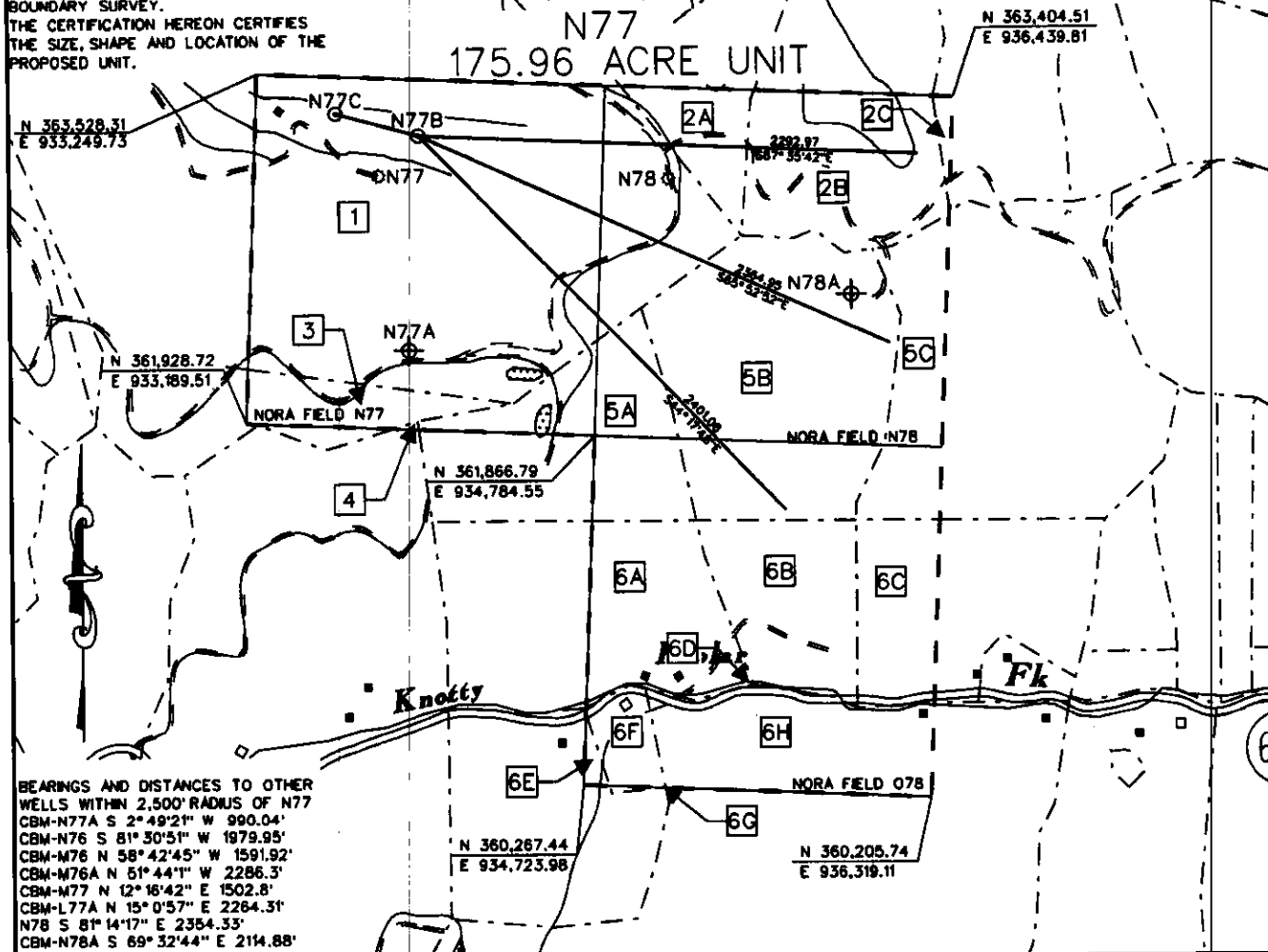
Acknowledged on this 14th day of July, 20~~14~~¹³, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis
Diane Davis, Notary Public
174394

My commission expires: September 30, 2017



PROPERTY LINES SHOWN ON THIS
PLAT WERE PROVIDED BY CNX GAS LLC
AND WERE TAKEN
FROM DEED DESCRIPTIONS AND CHAIN OF
TITLE OF RECORD
IT DOES NOT REPRESENT A CURRENT
BOUNDARY SURVEY.
THE CERTIFICATION HEREON CERTIFIES
THE SIZE, SHAPE AND LOCATION OF THE
PROPOSED UNIT.



- CBM WELL
- PROPOSED HORIZONTAL WELL
- ⊕ PROPOSED CBM WELL

EXHIBIT A
NORA FIELD
PROVISIONAL
HORIZONTAL DRILLING UNIT N77
VGOB-10-0921-2814

Company CNX Gas Company LLC Well Name and Number UNIT N77
Tract No. _____ Elevation _____ Quadrangle MAN
County BUCHANAN District ROCK LICK Scale: 1" = 300' Date 08/25/10
This plat is a new plat X ; an updated plat _____ ; or _____

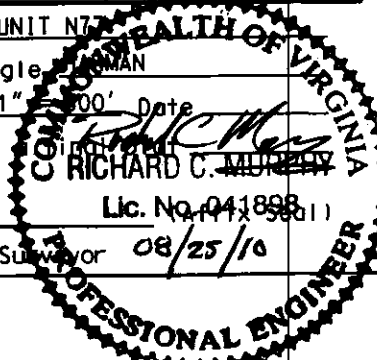
Form DGO-GO-7
Rev. 9/91

Richard C. Murray

Licensed Professional Engineer or Licensed Land Surveyor

Lic. No. 041898

08/25/10



CNX Gas Company LLC

UNIT N77

Tract Identifications

175.96 Acre Unit

1. **Bull Creek Coal Company (Joseph S. Childress 193.37 Acre Tract) – Fee
Wellmore Energy Company LLC – Coal In Hagy and Above Seams Leased
Wellmore Energy Company LLC – Coal In Splashdam Seam Leased (Subleased from Penn Virginia
Resource Partners)
Range Resources-Appalachia, LLC – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
60.11 Acres 34.1612%**
2. **Bull Creek Coal Company (William H. Duty 146.20 Acre Tract) – All Minerals
Wellmore Energy Company LLC – Coal In Hagy and Above Seams Leased
Wellmore Energy Company LLC – Coal In Splashdam Seam Leased
(Subleased from Penn Virginia Operating Co., LLC)
Range Resources-Appalachia, LLC – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
18.86 Acres 10.7183%**
- 2A. **Neil D. Woodrum - Surface**
- 2B. **Arthur Duty - Surface**
- 2C. **Edward Stiltner, et al - Surface**
3. **Jack G. Watkins, et al (12.00 Acre Tract) – All Minerals less Coal In Splashdam Seam
CNX Gas Company, LLC – Surface and Coal In Splashdam Seam
CNX Gas Company LLC – Oil, Gas and CBM Leased (22.93%)
4.38 Acres 2.4892%**
4. **Bull Creek Coal Company (James H. Quinley 102.48 Acre Tract) – Coal
Island Creek Coal Company/Consolidation Coal Company – Coal In and Below Pocahontas
No. 6 Seam Leased
Wellmore Energy Company LLC – Coal In Hagy and Above Seams Leased
Wellmore Energy Company LLC – Coal In Splashdam Seam Leased (Subleased from Penn Virginia
Operating Co., LLC)
Bull Creek Coal Company(1/3)/ J.H. Quinley, his successors or assigns(2/3) – Oil and Gas
Range Resources-Appalachia, LLC – Oil and Gas Leased (1/3)
CNX Gas Company LLC – Oil and Gas Leased (2/3)
CNX Gas Company LLC – CBM Leased
Unknown Surface Owner
0.05 Acres 0.0284%**
5. **Bull Creek Coal Company (C.C. Wood 89.47 Acre Tract) – All Minerals
Island Creek Coal Company/Consolidation Coal Company – Coal In and Below Pocahontas
No. 6 Seam Leased
Wellmore Energy Company LLC – Coal In Hagy and Above Seams Leased**

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

CNX Gas Company LLC

UNIT N77

Tract Identifications

175.96 Acre Unit

Wellmore Energy Company LLC – Coal In Splashdam Seam Leased (Subleased from Penn Virginia Operating Co., LLC)

CNX Gas Company LLC – Oil, Gas and CBM Leased

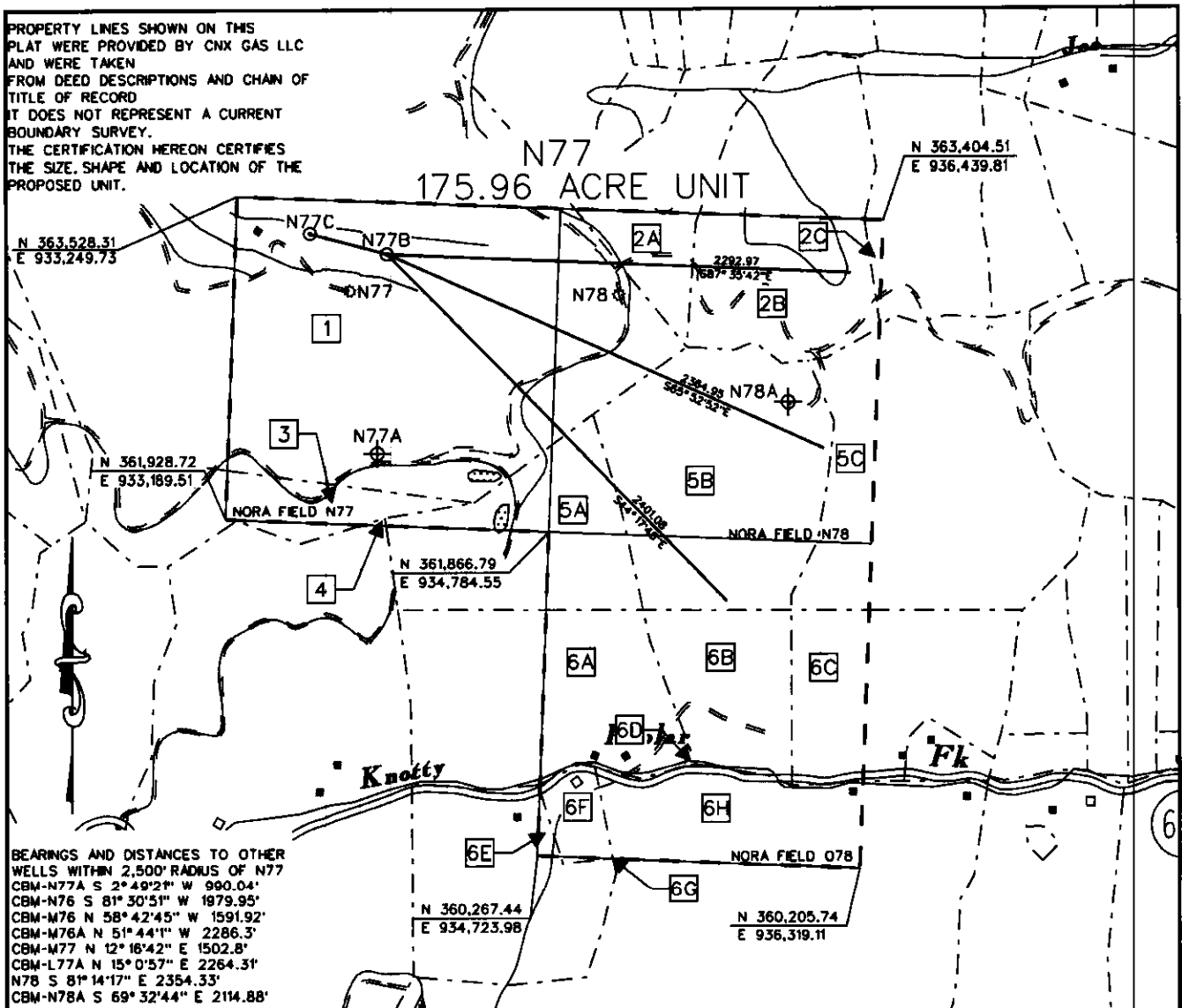
Philip A. Wood – Surface

46.96 Acres 26.6879%

- 6. Alma Ruth Rife, et al (189.70 Acre Tract) – All Minerals**
Island Creek Coal Company/Consolidation Coal Company – Coal in and Below Pocahontas No. 6 Seam Leased
Wellmore Energy Company LLC – Coal in the Hagy and Above Seams Leased
Wellmore Energy Company LLC – Coal in Splashdam Seam Leased (Subleased from Penn Virginia Operating Company, LLC)
Range Resources-Appalachia, LLC – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased (21.58%)
45.60 Acres 25.9150%
- 6A. Philip A. Wood – Surface Owner**
6B. Alma R. Rife – Surface Owner
6C. Phillip C. Justice, Jr., et al – Surface Owner
6D. Unknown Surface Owner
6E. Unknown Surface Owner
6F. Unknown Surface Owner
6G. Unknown Surface Owner
6H. Unknown Surface Owner

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

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AND WERE TAKEN
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BOUNDARY SURVEY.
THE CERTIFICATION HEREON CERTIFIES
THE SIZE, SHAPE AND LOCATION OF THE
PROPOSED UNIT.



BEARINGS AND DISTANCES TO OTHER
WELLS WITHIN 2,500' RADIUS OF N77
CBM-N77A S 2°49'21" W 990.04'
CBM-N76 S 81°50'51" W 1979.95'
CBM-M76 N 58°42'45" W 1591.92'
CBM-M76A N 51°44'11" W 2286.3'
CBM-M77 N 12°16'42" E 1502.8'
CBM-L77A N 15°0'57" E 2264.31'
N78 S 81°14'17" E 2354.33'
CBM-N78A S 69°32'44" E 2114.88'

- ⊙ CBM WELL
- PROPOSED HORIZONTAL WELL
- ⊕ PROPOSED CBM WELL

EXHIBIT A
NORA FIELD
PROVISIONAL
HORIZONTAL DRILLING UNIT N77
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Company CNX Gas Company LLC Well Name and Number UNIT N77
Tract No. Elevation Quadrangle
County BUCHANAN District ROCK LICK Scale: 1" = 200' Date
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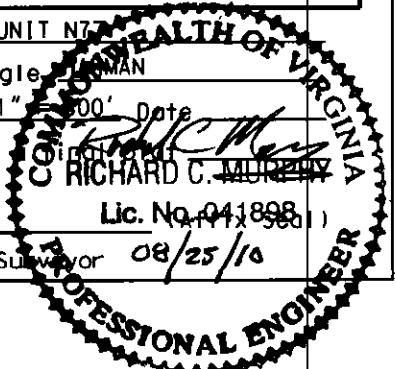
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Richard C. Murphy

Licensed Professional Engineer or Licensed Land Surveyor

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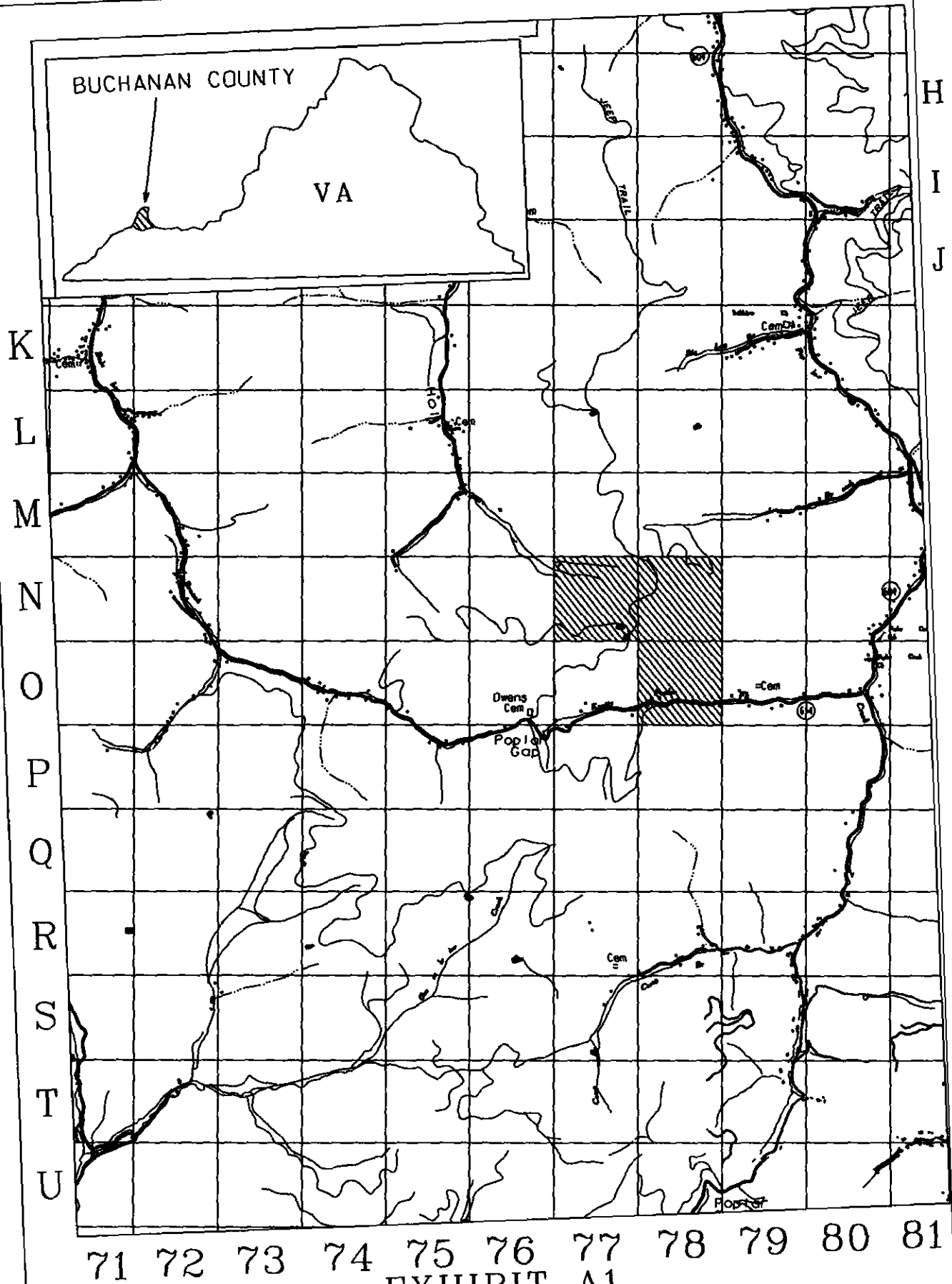


EXHIBIT A1
PROVISIONAL HORIZONTAL
DRILLING UNIT N77
VGOB 10-0921-2814

24
#18

INSTRUMENT #1-0000444
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 21, 2014 AT 01:41PM

BEVERLY S. TILLER, CLERK
RECORDED BY: MKB